

# ANNUAL REPORT 1968

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## **BOARD OF DIRECTORS**

W. E. Schiller, *Chairman*

W. E. Dearden

J. Hemphill

H. S. Mohler

G. Nurick

R. L. Uhrich

A. R. Whiteman

## **OFFICERS**

H. S. Mohler, *President*

W. E. Schiller, *Chairman of the Board and Treasurer*

W. E. Dearden, *Vice President, Sales and Marketing*

R. L. Uhrich, *Secretary*

L. W. Simmons, *Comptroller*

## **EXECUTIVE OFFICES**

19 East Chocolate Avenue, Hershey, Pa.

## **TRANSFER AGENT**

First National City Bank, *New York*

## **REGISTRAR**

Morgan Guaranty Trust Company, *New York*

## **AUDITORS**

Arthur Andersen & Co., *New York*



**Hershey Foods Corporation**



**CORY CORPORATION**

Chicago, Illinois

**DAVID & FRÈRE (1967) LTÉE**

Montreal, Canada

**DELMONICO FOODS, INC.**

Louisville, Kentucky

**HERSHEY CHOCOLATE &  
CONFECTIONERY DIVISION**

Hershey, Pennsylvania—Oakdale, California

**HERSHEY CHOCOLATE OF  
CANADA (1967) LTD.**

Smith Falls, Canada

**L. D. PROPERTIES CORPORATION**

Oakdale, California

**H. B. REESE CANDY CO., INC.**

Hershey, Pennsylvania

**SAN GIORGIO MACARONI, INC.**

Lebanon, Pennsylvania



**Hershey Foods Corporation**



# TO OUR SHAREHOLDERS



Chairman of the Board  
William E. Schiller (left)

President  
Harold S. Mohler (right)

Comparative results of operations on a consolidated basis were as follows:

	<u>1968</u>	<u>1967</u>
Sales	\$296,045,285	\$246,745,196
Net Earnings	\$19,898,149	\$20,934,705
Earnings per Share	\$1.67	\$1.75
Dividends per Share	\$1.10	\$1.10

Sales for the year 1968 were substantially higher than in 1967. A portion of this increase was due to sales of Cory Corporation and David & Frère (1967) Ltée which were included in 1968 without comparable figures in 1967 for those periods prior to acquisition. Nevertheless, comparing the sales of all Companies for both full years, total sales increased by approximately 7 percent. Earnings were lower in 1968 as a result of the continuing increase in virtually all costs (principally of cocoa beans) and the increase in Federal income taxes by the 10 percent surcharge.

Although cocoa bean costs increased in 1968, the impact of a sharp rise in prices during the year is not fully evident in 1968 operating results because of commitments made late in 1967 or early 1968 and usage from inventory at prices lower than those which subsequently prevailed. The market price of cocoa

beans averaged about 30 cents a pound for the first seven months of 1968. In August, torrential rains in the major African growing areas stimulated heavy speculative buying which moved prices sharply upward to approximately 50 cents a pound in December—a level not reached since 1954. While there has been some decline from this level, cocoa bean prices remain well above normal. The Company's selling prices have been advanced but it is impossible to offset completely the current high costs.

Your Company's plans for growth include (1) selling more of its current products in present markets, (2) introducing and effectively promoting new products, (3) selling current and new products in overseas markets, and (4) acquiring companies with attractive potential, particularly in food and food-related fields.

For the purpose of expansion through acquisitions, the Corporation constantly investigates and evaluates available companies whose facilities and products would further our program for diversification and growth. It is unrealistic to expect to make an acquisition that will immediately increase earnings by a large percentage. Prospects must be viewed on a long-term basis. Unless

such a transaction can add to the overall profitability of the Company, it is not considered desirable.

In November of 1968 the Company announced that it was planning consumer advertising of its chocolate and confectionery products, breaking the 66-year tradition of no media advertising. More recently we disclosed that Ogilvy & Mather Inc. was selected as the advertising agency. This change in the long-established corporate policy is another step in the overall program to strengthen the Company's brands in the marketplace. The impact of advertising should result not only in greater sales of the present products but also should enhance consumer awareness of our new products.

The success of our Company is attributable in great measure to the diligent and dedicated efforts of our employees. With this basic resource and with our current programs for diversification, product development and more aggressive marketing, we look ahead confidently to continued growth and prosperity.


*W. E. Schiller*

Chairman of the Board

*H. S. Mohler*

President



 **Hershey Foods Corporation**

# FOUNDATIONS FOR GROWTH

**HERSHEY'S**

**San  
Giorgio®**

**CORY**

**HERSHEY'S**  
*Semi-Sweet*  
CHOCOLATE

*Reese's®*



**HERSHEY'S  
INSTANT**

**HERSHEY'S**  
*mr. Goodbar®*

*Autopoint*

**HERSHEY'S**  
MILK CHOCOLATE

**HERSHEY'S**

**NU-TREND**

**Fresh'nd-air**



HERSHEY'S  
**Krackel**

**D**ELMONICO®

butter  
chip

HERSHEY'S  
Chocolate Chips

Flavor  Seal

HERSHEY'S  
*Miniatures*

<**NICRO**>

COFFEE  
SERVICE  
LAN, INC.

L. D. PROPERTIES  
CORPORATION

HERSHEY'S  
   ETS

HERSHEY'S COCOA

**David**  
& FRÈRE (1967) LTÉE

SYRUP

HERSHEY'S  
MILK CHOCOLATE  
FUDGE

  
MITCHELL

HERSHEY'S  
MILK CHOCOLATE — ALMONDS

HERSHEY'S KISSES



## SALES AND MARKETING

Hershey Chocolate & Confectionery Division

The Sales and Marketing Program has been reorganized to meet the ever increasing demands of the changing market place. Intensive programs were instituted during 1968 in the sales area to secure high efficiency in selling...to improve communications between the field force and the home office...to obtain better customer relations. Increased emphasis has also been placed on training at all levels. Encouragement of individual initiative and responsibility is, and always will be, one of our primary goals in this area.

Much was done during the year 1968 to establish a closer relationship with our customers. This will continue to be an important function as we direct our efforts toward



Discussion of long-range forecasts and 1969 marketing plans for the Hershey Chocolate & Confectionery Division by members of the Sales and Marketing Department.

a better understanding of their businesses, and work to develop programs and products that will provide the opportunity for mutual growth in sales and profits.

The task of the marketing group during 1968 was to develop concepts and programs that will enable the field sales force to maximize its efficiency and produce profitable results commensurate with corporate plans. Brands Managers were assigned to each product with full responsibilities for marketing planning. Extensive market research was undertaken to provide as much valid data as possible to assist in developing present and long range marketing plans, and the utilization of the most modern techniques and equipment has made it possible to do the planning required more efficiently.



Food preparation in Hershey Kitchens.



Typical product evaluation taste test panel.



## PRODUCT DEVELOPMENT

Product development and research are two of the most important factors for a successful operation in the food industry today. As the world's largest manufacturer of chocolate and cocoa products, Hershey Foods Corporation's research laboratories are constantly on the alert to develop new techniques in nutrition... biochemical and flavor sciences. These laboratories also keep Hershey abreast of new food research and developments...and open the door for the introduction of new products.

Through research, new processes are continually being initiated and improvements being made in other procedures. Experience has taught us that most new developments originate as a team effort within the Company. Starting with laboratory experimentation, development continues through pilot operation to actual production. Creating new products demands concentration on quality... packaging... testing... marketing... consumer acceptance and profitability.

Food and cooking articles are among the most popular read features in mass media today. Hershey's test kitchens supply food editors with new, economical, practical and appetizing chocolate and cocoa recipes with attractive full color illustrations. Skilled home economists originate and thoroughly test each recipe for quality and reliability.

Leaflets by the millions are distributed each year to consumers giving the usual and the unusual recipes for chocolate and cocoa.



Moisture determination on incoming raw materials (i.e., cocoa beans, sugars, peanuts) and finished product.



Analytical titration assuring quality of Hershey products.

## QUALITY ASSURANCE

Quality Assurance at Hershey is a detailed and very important phase of all procedures. Quality Assurance makes certain that "THE QUALITY THAT GOES IN... COMES OUT". Production and Technical Services are vitally involved in this operation. Each is responsible for maintaining a high level of quality.

To be sure many analytical and inspection checks are performed, Quality Assurance personnel cover each step from raw material reception and storage through processing, packaging, storage of the finished product, shipping and point of sale. These technicians are only part of the program. Numerous mechanical controls augment the experienced men and women on the production



Analytical procedure insuring quality of incoming milk to Hershey plants.



Abrasion test on Hershey printed labels.

line who are responsible for maintaining a high standard of quality in their area of operation.

People properly trained and motivated are the single most important factor in Quality Assurance. Flavor...weight...count...color and appearance are some of the many points constantly under surveillance. Most important is the assurance that Hershey products are manufactured under the finest and most modern sanitary conditions. Both facilities and personnel have been upgraded in the past year. This is just part of the continuing efforts of Hershey Foods to guarantee the consuming public that all products marketed under the Hershey label reach them in first class condition.



# HERSHEY PEOPLE MAKE THINGS HAPPEN...

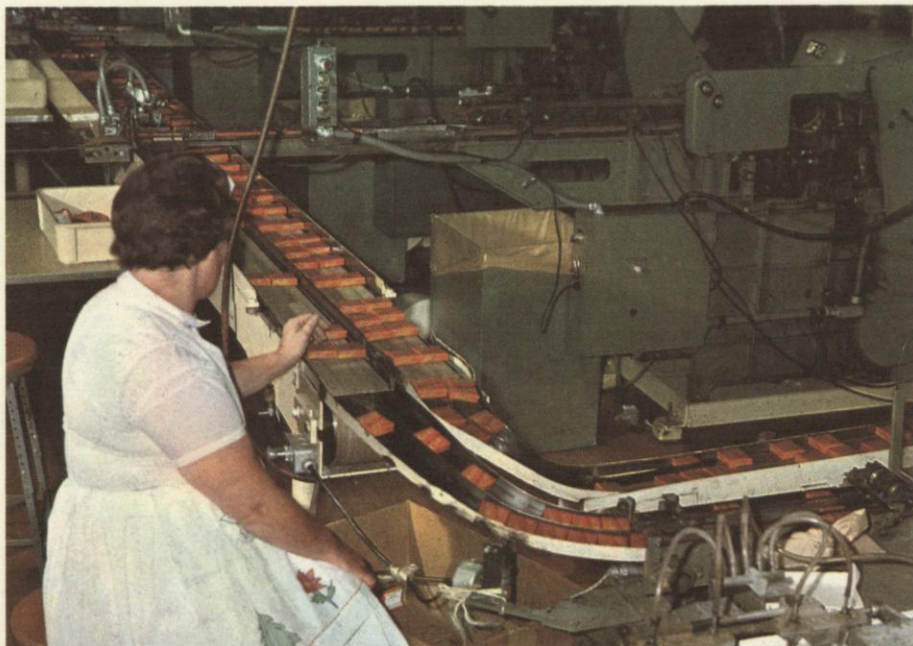
## H. B. REESE CANDY CO., INC.

Originators of the peanut butter cup and leading producer in this specialty market. Reese products, today's most amazing success story, continue to outstrip the growth of every major candy brand during 1968. The chocolate covered peanut butter cup is one of the real favorites of the consuming public.

To accommodate the increased demand, major capacity additions were made in 1962 and 1965. Further expansion is scheduled for 1969.

Founded in 1923 the Company was acquired by Hershey in 1963. The Reese plant, one of the most modern in the industry, is located in Hershey about a mile from the main plant. Our Oakdale, California plant also produces Reese's Peanut Butter Cups under license.

A leading national research organization indicated that Reese's Peanut Butter Cup is the fastest-growing confection brand in America.



One of America's most exciting confections, Reese Peanut Butter Cups, enroute to the consumer.



Marshmallow deposited biscuits preparing to enter coconut spreader and chocolate enrober.

## DAVID & FRÈRE (1967) LTÉE

This subsidiary established over 100 years ago is one of Canada's largest manufacturers of sweet biscuits and

cookies. David and Frère also import and market British candies.

Several new products were introduced during 1968 and others are planned for 1969.





Of all the beautiful springtime scenes in California, almond blossom time is one of the most magnificent.

### **L. D. PROPERTIES CORPORATION**

An additional 500 acres of almond trees were planted at the ranch in Fresno, California in 1968. A total of 5000 acres is under cultivation. The 1966 plantings produced their first crop of a few thousand pounds. The trees continue to flourish at an extremely good rate and continuing efforts are being made to insure maximum care and nurture of the trees.

The disappointing small outturn of the total California almond crop in 1968 reinforces your Company's decision to enter into this field. As the world's largest user of almonds, this venture will assure a more adequate supply of the type almonds needed to meet Hershey's exacting demands.

### **HERSHEY CHOCOLATE OF CANADA (1967) LTD.**

Hershey has been manufacturing, distributing and selling in Canada since 1963. The year 1968 produced sales gains throughout the Dominion. Advertising has been geared to the "More Chocolate Flavor" theme featuring the "vo-do-de-o" sound of the 1920's. Consumer recognition of our products has been good. Chocolate covered raisins were introduced in 1968 and two new products will appear in Canadian markets in 1969. Plans for product expansion are in progress for this ever growing area.



Flavor analysis by gas chromatography.



Final smoothing and flavoring development of chocolate.



Hershey Chocolate of Canada (1967) Ltd., Smiths Falls, Ontario, Canada.



# ANTICIPATING TOMORROW

## SAN GIORGIO MACARONI, INC.

San Giorgio sells a complete line of dry pasta products and sauces along the eastern seaboard. Through concerted promotional and consumer advertising and an enlargement of the Sales and Marketing staff, San Giorgio has continued to advance in its trading area. Plant modernization includes new continuous form fillequipment for packaging noodles, and an automatic regrind system. Machinery to handle flour enrichment was installed but not tested at the year end. Commitments have been made to provide additional capacity and plant facilities in Lebanon, Pennsylvania.

Some products recently developed by Delmonico Foods, Inc. will be test marketed by San Giorgio under the Delmonico name.

## DELMONICO FOODS, INC.

Located in Louisville, Kentucky, Delmonico manufactures a variety of pasta products and sauces and markets them in Indiana, Kentucky and Ohio.

Operations in 1968 proved highly satisfactory. Consumer acceptance of the Delmonico dinners—Spring and Summer Salad—the Iron-Skillet Supper and the Four Seasons Dumpling Dinner—has been encouraging. These convenience foods have completed test marketing and are now distributed throughout the Delmonico trading area. They have already established a position on the consumer purchase list and have a good potential in the prepared dinner market.

Future plans call for expansion into new areas with advertising and marketing programs to maintain their growth.



Spaghetti cut to package length.



Spaghetti being extruded at the rate of 1000 pounds per hour.



Spaghetti weighed electronically at 120 packages per minute.





Every brewing unit is carefully checked before shipping, to assure that the water temperature and volume will remain constant.



CORY's popular C 500 brewer in a restaurant. This unit brews handy 12-cup decanters of coffee in approximately 3½ minutes—up to 250 cups per hour—automatically.



Assembly line inspection of the water temperature and volume control features.



Production line inspection of the service trays on CORY's C-60 series brewers. Here the test is for brewing volume.



CORY's new automatic stainless steel 4-10 cup Percolator.

## CORY CORPORATION


Cory is a Chicago based manufacturer of coffee brewing and food service equipment, as well as household appliances. The business continues to grow at a very satisfactory rate. In particular, the Cory Coffee Service Plan enjoyed increasing success. In test market and development stages are many ancillary services for small office snack and meal preparation facilities. Initial reaction in these test markets has been very favorable.

The small appliances division, Autopoint writing instrument division, the Nicro division and the Flavor-Seal operation continue to make satisfactory progress.

The manufacture and sale of Cory restaurant and institutional equipment is an important segment of the total Cory business. Competition is keen but the superior flavor of coffee made in Cory appliances is a most important factor in the success of this phase of the business.



# CONSOLIDATED BALANCE SHEET

 **Hershey Foods Corporation** AND SUBSIDIARIES

<b>ASSETS</b>	<b>DECEMBER 31</b>	
	<b><u>1968</u></b>	<b><u>1967</u></b>
<b>CURRENT ASSETS:</b>		
Cash .....	\$ 9,524,001	\$ 11,878,045
Marketable securities, at cost .....	830,050	3,492,208
Accounts receivable, less reserves .....	16,139,319	16,531,666
Inventories (Note 2) .....	<u>77,856,909</u>	<u>78,202,457</u>
Total current assets .....	<u>104,350,279</u>	<u>110,104,376</u>
 <b>PLANT AND PROPERTY, at cost:</b>		
Land .....	3,500,475	3,497,711
Buildings .....	39,096,820	37,657,228
Equipment .....	<u>81,163,826</u>	<u>75,318,846</u>
	123,761,121	116,473,785
Less—Reserves for depreciation .....	<u>51,725,699</u>	<u>47,994,109</u>
Net plant and property .....	72,035,422	68,479,676
 <b>COST OF INVESTMENTS IN SUBSIDIARIES IN EXCESS OF BOOK VALUES AT DATES OF ACQUISITION .....</b>	23,444,402	21,980,667
<b>DEFERRED CHARGES, ETC. ....</b>	<u>8,150,201</u>	<u>6,766,920</u>
	<u>\$207,980,304</u>	<u>\$207,331,639</u>

The accompanying notes are



## LIABILITIES

### CURRENT LIABILITIES:

Loans payable within one year (Note 4) .....	\$ 15,864,807	\$ 10,932,059
Accounts payable .....	7,673,017	6,992,386
Accrued liabilities .....	5,453,379	5,975,505
Reserve for Federal and state income taxes .....	<u>4,873,582</u>	<u>7,495,732</u>
Total current liabilities .....	<u>33,864,785</u>	<u>31,395,682</u>

LONG TERM LOANS (Note 4) .....	<u>18,467,294</u>	<u>27,691,885</u>
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RESERVE FOR DEFERRED INCOME TAXES .....	<u>9,219,061</u>	<u>7,596,773</u>
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### STOCKHOLDERS' EQUITY: (Note 6)

Common stock, without par value—		
Authorized 20,000,000 shares;		
issued—12,226,260 and 12,225,160 shares, respectively .....	9,050,336	9,031,856
Retained earnings .....	<u>147,725,924</u>	<u>140,935,639</u>
	156,776,260	149,967,495
Less: Treasury stock, at cost—		
336,508 and 301,081 shares, respectively .....	<u>10,347,096</u>	<u>9,320,196</u>
Total stockholders' equity .....	<u>146,429,164</u>	<u>140,647,299</u>
	<u>\$207,980,304</u>	<u>\$207,331,639</u>



# CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

 **Hershey Foods Corporation** AND SUBSIDIARIES

	FOR THE YEARS ENDED DECEMBER 31	
	1968	1967
NET SALES .....	\$296,045,285	\$246,745,196
COSTS AND EXPENSES:		
Cost of goods sold .....	195,663,378	164,127,189
Selling, administrative and general .....	32,565,610	20,475,403
Shipping .....	15,969,606	14,214,814
Depreciation (Note 5) .....	4,449,923	3,460,848
Total costs and expenses .....	248,648,517	202,278,254
Income from operations .....	47,396,768	44,466,942
OTHER EXPENSE (INCOME):		
Interest .....	2,450,366	1,330,442
Other .....	(627,747)	(213,205)
Income before income taxes .....	45,574,149	43,349,705
PROVISION FOR FEDERAL AND STATE INCOME TAXES .....	25,676,000	22,415,000
Net income .....	19,898,149	20,934,705
RETAINED EARNINGS AT JANUARY 1 .....	140,935,639	133,134,109
	160,833,788	154,068,814
DEDUCT—Dividends, \$1.10 a share .....	13,107,864	13,133,175
RETAINED EARNINGS AT DECEMBER 31 .....	<u>\$147,725,924</u>	<u>\$140,935,639</u>

The accompanying notes are an integral part of this statement.



# CONSOLIDATED STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

**Hershey Foods Corporation** AND SUBSIDIARIES

## SOURCE

Net income for the year .....		<b>1968</b>
Income charges not requiring the disbursement of cash:		\$19,898,149
Depreciation .....	\$4,449,923	
Deferred income taxes .....	<u>1,622,288</u>	<u>6,072,211</u>
Funds provided from operations .....		25,970,360

## DISPOSITION

Dividends paid .....	13,107,864
Treasury stock acquired .....	1,026,900
Additions to plant and property .....	8,323,205
Decrease in long term debt .....	9,224,591
Cost of additional investments in subsidiaries in excess of book values at dates of acquisition .....	1,463,735
Other (Net) .....	<u>1,047,265</u>
	<u>34,193,560</u>
Decrease in working capital .....	<u>\$ 8,223,200</u>

## NOTES

**1** The accompanying consolidated financial statements include the accounts of Hershey Foods Corporation and all of its subsidiary corporations.

Intercompany balances and transactions have been eliminated. Assets, liabilities and income of foreign subsidiaries have been translated at approximate current rates of exchange, except that historical rates were used for fixed assets and related depreciation.

The Company acquired for cash the Cory Corporation in December 1967 and David & Frère Ltée in July 1967, and their oper-

ations have been included in the consolidated financial statements since dates of acquisition. Sales in 1967 for such subsidiaries for the periods prior to acquisition were \$29,554,615 as compared with \$34,960,227 for the same periods in 1968. The purchase price of these companies in excess of the net tangible assets acquired is not considered to have diminished in value and is not being amortized.

**2** Inventories of cocoa beans, almonds, peanuts and milk, together with such material and wage costs included in finished



## NOTES (CONTINUED)

goods and goods in process are substantially all stated at cost, under the "last-in, first-out" method. The remaining inventories are stated at lower of cost or market under the "first-in, first-out" or "average cost" method.

**3** The Company and certain of its subsidiaries have an Insured Retirement Annuity Plan covering substantially all employees of such companies. The Company's policy is to fund current service costs as incurred. The total cost for the year was \$600,000 as compared with \$575,000 in the prior year. There are no unfunded vested benefits as of December 31, 1968.

**4** Long term loans at December 31, 1968 consist of the following:

Loan at prime interest rate (6¾% at December 31), payable in equal quarterly installments, commencing March 30, 1970 and ending December 31, 1973 .....	\$ 8,100,000
4½% loan, payable in equal quarterly installments of \$357,143 to 1973 .....	5,000,000
Various other loans at 5% to 7¼% payable to 1986 .....	5,367,294
	<u>\$18,467,294</u>

The prime rate loan was obtained under the terms of a revolving credit agreement which allows the Company to borrow up to \$25,000,000 and expires November 22, 1969. Borrowings under this loan may be prepaid without penalty and the outstanding balance at November 22, 1969 may be converted into a term loan with payments due as indicated above. It is the Company's intention to convert the balance borrowed into a term loan. In addition, the loan agreement contains certain restrictions as to the ratio of debt, as defined, to current assets and stockholders' equity.

**5** Depreciation of buildings and equipment is provided under straight-line and accelerated methods over estimated useful lives which range from 3 to 50 years for financial reporting whereas guideline lives and, in some cases, depreciation calculated by more accelerated methods are used for substantially all property in income tax reporting. The reduction in income taxes currently payable resulting therefrom is being credited to deferred taxes.

**6** On March 25, 1968, stockholders approved the 1968 Stock Option Plan. Under the terms of the plan, a maximum of 500,000 shares of common stock may be is-

sued to officers and key employees at not less than market value at the dates such options are granted. The options are exercisable at anytime until expiration, 5 years after granting or earlier in the event of death or other termination of employment by the optionee. During 1968, options for 111,000 shares of common stock were granted at prices ranging from \$26.29 to \$27.22 and were outstanding at December 31, 1968.

Under a previous plan adopted in 1957 and terminated in 1964, except for options then outstanding and unexercised, options for 7,450 shares at prices ranging from \$16.80 to \$34.00 were outstanding at December 31, 1968, and options for 1,100 shares were exercised at \$16.80 a share during 1968.

On March 25, 1968, stockholders authorized 2,000,000 shares of Cumulative Preferred Stock without par value and increased the authorized Common Stock to 20,000,000 shares. The preferred stock, none of which has been issued to date, may be issued from time to time in series and with such preferences and other terms as determined by the Board of Directors.

**7** Certain 1967 items have been reclassified to make them comparable with 1968.

## AUDITORS' REPORT

To the Board of Directors and Stockholders of Hershey Foods Corporation:

We have examined the consolidated balance sheet of Hershey Foods Corporation (a Delaware corporation) and subsidiaries as of December 31, 1968, and the related statements of consolidated income and retained earnings and source and disposition of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have previously examined and reported on the financial statements for the preceding year.


In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and retained earnings and source and disposition of funds present fairly the financial position of Hershey Foods Corporation and subsidiaries as of December 31, 1968, and the results of their operations and the source and disposition of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New York, N. Y.,  
February 12, 1969.

ARTHUR ANDERSEN & CO.



# TEN YEAR SUMMARY SALES, INCOME AND DIVIDENDS

 **Hershey Foods Corporation** AND SUBSIDIARIES

YEAR	NET SALES	NET INCOME		DIVIDENDS
		TOTAL	PER COMMON SHARE (2)	PER COMMON SHARE (2)
1968	\$296,045,285	\$19,898,149	\$1.67	\$1.10
1967	246,745,196	20,934,705	1.75	1.10
1966	225,738,443	24,973,012	2.09	1.075
1965	211,780,687	24,722,000	2.02	1.00
1964	207,129,308	22,745,755	1.86	.925
1963	203,021,904	22,233,913	1.82	.90
1962	191,332,314	22,696,704	1.86	.90
1961	185,239,352	20,513,768	1.70	.80
1960	176,546,033	19,003,641	1.58	.74
1959	172,673,463	15,590,411	1.30	.68

## NOTES

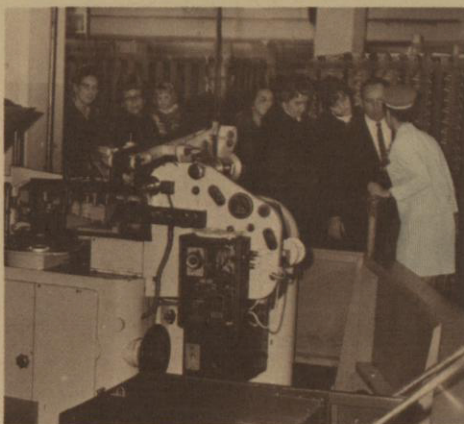
**1** Figures for H. B. Reese Candy Company, acquired on a pooling of interest basis in 1963, have been included in all years.

**2** Figures for the net income per share and dividends per share have been adjusted to give retroactive effect to the five-for-one stock split made on March 27, 1962.





Hershey Guide addresses visitors before plant tour.



Guide answers a question for visitors along the tour.



A Hershey bar for children and visitor souvenir packet for adults containing chocolate and cocoa, recipes and a story of chocolate and cocoa are given each plant visitor.



Section of the Visitors' Lobby which depicts the history of chocolate, its development and processing.

## THE HERSHEY TOUR

### A SMASH HIT WITH THE AMERICAN PUBLIC

In 1927, Milton S. Hershey, founder of Hershey Chocolate Company, thought that people would like to see chocolate being made. The man who was supposed not to believe in advertising created one of the greatest advertising and public relation vehicles in American business.

Mr. Hershey was always fascinated by machinery and he thought people would appreciate seeing chocolate molding and wrapping machines. He was proud of the cleanliness in the plant and wanted people to be aware of it. The visitors saw bars being molded and wrapped, kisses molded, the box wrapping operation and the Label Printing Department.

Those who toured the plant in the early years left Hershey to tell others about the impressive visit. Little by little the crowds began to grow and on one summer's day in 1935 over

2,000 visited the plant. Hershey as a town and Hershey Chocolate as a plant became a national tourist attraction. With the beginning of World War II, Hershey went on war production and closed the tours for four years.

In 1946, the tours were resumed and crowds began to increase again. In 1951, the total passed 100,000 for the first time. In 1965, Hershey Chocolate hosted over a half million visitors. This was exceeded in 1966 and again in 1967. Over 740,000 took the tour in 1968 and by 1971 the figure is expected to top one million.

Surveys show that the tour's biggest single advertisement is the word-of-mouth recommendation from visitors returning home.

Increasing numbers of visitors are also touring our plants at Oakdale, California and Smiths Falls, Ontario.







